FAHH
audit service LLP

Chartered Certified Accountants (UK) and Certified Audit Firm (ETH)

Audit, Accountancy, Consultancy, Tax

AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF HEALING HANDS OF JOY AS AT AND FOR YEAR ENDED 31 DECEMBER 2025

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HEALING HANDS OF JOY
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HEALING HANDS OF JOY
KEY ORGANIZATION INFORMATION AND MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

1 KEY ENTITY INFORMATION

1.1 BACK GROUND

Healing Hands of Joy was established in US on 12 May 2009 with the objectives of Mobilizing the community to reduce maternal mortality and morbidities in Ethiopia by creating an innovative maternal health promotion and fistula preventation model. Head Office is located at Addis Ababa and operating in , Amhara and SNNPR,Sidam, Oromiya and Tigray regions.

It has been duly registered with Ministry of Justice.Charities and Societies Agency in accordance with Proc. No. 621/2009 as Ethiopia resident charity with Certificate No.3225. Its License has been renewed on 05 September 2019 as Foreign Organization in accordance with the Civil Society Organization (CSO) Proclamation No.1113/2019.

1.2 MANAGEMENT REPORT

In our annualy audit Report the audit firm gives management report besides to the financial report

a) PRINCIPAL LEGAL ADVISER

Healing Hands of Joy have Legal advisor who serves in any lagal advisory cases and he is a monthly fixed fee peyee. Ato Mehari Alemayehu Adress Bole Sub City Woreda 03 Tell. 0911200456.

b) MANAGEMENT AND STAFF INFORMATION

No.	NAME	POSITION/TITLE
1	Meselech Seyoum	Country Director
2	Temesgen Asmare	Head Finance & Admin.
3	Fisseha agos	Head Program M & E
4	Lidet Kassie	Program Coordnator -Amhara
5	Zerihun Bayabil	Program Coordnator -Oromia
6	Shimelis Mitiku	Program Coordnator -SNNPR
7	Senait Tarekegn	Program Coordnator -Tigray

c) BANK INFORMATION

HHoJ at Head Office have One foreign Currency (USD) to receive Grantss from Donors and its USA Home Office and three current bank accounts at Addis Ababa Awash Bank Airport Branch and Seven current Accounts in Amhara Bahir Dar,Hawassa,Jimma and Mekele branch offices used to facilitate the day to day activities of the organization cash movements. Accounts at Head Office are

1.Healing Hands of Joy Acc.No. 02307520388300 Foreign Currency (USD)

2. Healing Hands of Joy Acc.No. 01308520388300

3. Healing Hands of Joy Acc.No. 01308520388301

d) INDEPENDENT AUDITOR

Currently our organization have made new contract of Audit agreement with Haileyesus Chekol Chartered Certifies Accountant (UK) and Certified Audit Firm/now Transformed to "FAHH Audit Service LLP" . Adress A.A Tell +251-911-871788 Office P.O.Box 4444

Meselech
Country Director

Head Finance & Administration

FAHH Audit Service LLP

Healing Hands of Joy

Accounting and auditing Board of Ethiopia
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HEALING HANDS OF JOY
STATEMENT OF MANAGEMENT RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

The Financial Reporting Proclamation No. 847/2014 requires the organization to prepare its financial statements in accordance with the International Public Sector Accounting Standards (IPSAS).

The Management to prepare financial statements in respect of that organization, which give a true and fair view of the state of affairs of the organization at the end of the financial year/period and the operating results of the organization for that year/period. The Management is also required to ensure that the organization keeps proper accounting records which disclose with reasonable accuracy the financial position of the organization. The Management is also responsible for safeguarding the assets of the organization.

The Management accepts the responsibility for the organization's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS). The Management is of the opinion that the organization's financial statements give a true and fair view of the state of organization's transactions during the financial year ended December 31, 2025, and of the organization's financial position as at that date. The Management further confirms the completeness of the accounting records maintained for the organization, which have been relied upon in the preparation of the organization's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Management to indicate that the organization will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The organization's financial statements were approved by the Management on 23, March 2026 and signed on its behalf by:

Country Director

Head Finance & Administration

REF:FAHH/0071/25

Independent auditor's report

To the management of Healing Hands of Joy(HHOJ)

Unqualified Opinion

We have audited the financial statements of Healing Hands of Joy(HHOJ) which comprise the statement of the financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the attached financial statements present fairly, the financial position of the Healing Hands of Joy(HHOJ) as at 31 December 2025 and its financial performance, and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards(IPSAS) as issued by the International Accounting Standards Board (IASB).

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the international Ethics Standards Board for Accountants' code of Ethics for Professional Accounts (IESBA Code) together with the ethical requirmets that are relevant to our audit of the financil statmetns in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Management and those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards(IPSAS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of a Company report that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Addis Ababa Ethiopia

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the project report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise form fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

· Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

· Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

· Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statement of the current period and are therefore the key audit matters. We describe these, matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Haileyesus Chekol,FCCA

Managing partner
Auditor of Healing Hands of Joy

Addis Ababa,Ethiopia
26-Mar-26

HEALING HANDS OF JOY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

Currency:Ethiopia Birr

	Note			2024 Birr
CURRENT ASSETS				
Cash and cash equivalents	6	13,161,890		10,318,093
Debtors	5	14,260		76,879
		13,176,150		10,394,972
NON CURRENT ASSETS				
Property, plant and equipment	8	5,855,040		8,012,862
TOTAL ASETETS			19,031,190	18,407,834
LIABILITIES				
CURRENT LIABILITIES	7			
Creaditors		706,325		-
NON- CURRENT LIABILITIES				
Severance payable		9,321,542		5,380,663
TOTAL LIABILITIES		-	10,027,867	5,380,663
NET ASSETS				
Reserve for Property plant and Equipment/PPE		5,855,040		8,012,863
Accumulated surplus		3,148,283		5,014,307
NET ASSET/EQUITY/FUND BALANCE			9,003,323	13,027,170
TOTAL LIABILITY AND EQUITY			19,031,190	18,407,833

Country Director

Finance & Administration Head

HEALING HANDS OF JOY

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2025

Currency:Ethiopia Birr

	Note			2023
REVENUE				
Donation	9	168,120,585		99,224,722
		-		-
Total Revenue			168,120,585	99,224,722
General Operating Expenses	10		146,164,804	83,391,023
Administrative and General Expense	11		25,992,253	14,263,763
TOTAL EXPENDITURE			172,157,057	97,654,785
TOTAL SURPLUS/DEFICET/ FOR THE PERIOD			(4,036,471)	1,569,936

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Country Director

Finance & Administration Head

HEALING HANDS OF JOY

STATEMENT OF CHANGES IN NET ASSETS /EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

Currency:Ethiopia Birr

	Surplus	Reserve PPE	TOTAL
BALANCE AS AT 01 JNUARY 2024	5,014,307	8,012,863	13,027,170
			-
Openining Balance Adjustment			
	-		
Restated net Assets as at 1 January 2024 (IPSAS)			-
			-
Surplus/(deficit) for the period	-	-	-
BALANCE AS AT 31 DECEMBER 2024	**5,014,307**	**8,012,863**	**13,027,170**
			-
PPE Balance Adjustment	(157,375)	170,000.00	12,625
Openining Balance Adjustment			-
Current Year Depreciation Charge	2,327,822	(2,327,822)	-
Surplus/(deficit) for the period	(4,036,471)	-	(4,036,471)
BALANCE AS AT 31 DECEMBER 2025	**3,148,283**	**5,855,041**	**9,003,324**

Country Director

Finance & Administration Head

HEALING HANDS OF JOY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

Currency:Ethiopia Birr

	2025 Birr	2024 Birr
CASH FLOWS FROM OPERATING ACITIVITIES		
Surplus/(deficit) for the period	**(4,036,471)**	**1,569,936**
Less: Adjustment- opening balance difference	(157,375)	238,265
Less: Adjustment- opening balance difference	-	-
Depreciation and amortization	2,327,822	2,326,390
Change in working capital:	**(1,866,024)**	**4,134,591**
(Increase)/decrease in advances to partners	-	-
(Increase)/decrease in debtors	62,619	319,381
Increase/(decrease) in creditors (other current liabilities)	4,647,204	3,608,265
	-	-
Net cash flows from operating activities	**2,843,798**	**8,062,238**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	-
	-	-
Net cash flows from investing activities	**-**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows from financing activities		-
Net increase/(decrease) in cash and cash equivalents	2,843,798	8,062,238
Cash and cash equivalents at the beginning of the financial year	10,318,093	2,255,855
Cash and cash equivalents at the end of the financial year	**13,161,891**	**10,318,093**

Country Director

Finance & Administration Head

HEALING HANDS OF JOY
STATEMENT OF COMPARISION OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Currency: Ethiopia Birr

	DESCRIPTION	Original Budget	Adjustments	Final budget	Actual on comparable basis	Performance % Over (Under)	Performance %	Remark
	Revenue							
	Donation	168,120,585	-	168,120,585				
	Total Revenue	**168,120,585**	-	**168,120,585**				
	Operational Expense							
1	Employees Salaries and Related Benefits	36,876,763	-	36,876,763	40,934,957	(4,058,194)	111%	The salary appears overstated as a result of local currency devaluation against the exchange rate.
2	Communication	324,700	-	324,700	321,595	3,105	99%	
3	Transportation	1,284,500	-	1,284,500	1,259,000	25,500	98%	
4	Medical and Life Insurance	500,000	-	500,000	400,000	100,000	80%	
5	Training and Food	13,454,386	-	13,454,386	13,500,930	(46,544)	100%	
6	Medical	480,200	-	480,200	355,235	124,965	74%	This is dueto insurance premium stablity
7	Cleaning and Sanitation	3,613,000	-	3,613,000	3,474,928	138,072	96%	
8	Training Center Rent	3,456,000	-	3,456,000	3,443,027	12,973	100%	
9	Mum Ambossadors Kit	6,016,300	-	6,016,300	6,290,047	(273,747)	105%	
10	Mum Ambossadors Clothing	2,717,500	-	2,717,500	2,690,753	26,747	99%	
11	Printing and Stationary	420,656	-	420,656	426,782	(6,126)	101%	
12	Utilities (Water and Electricity)	737,570	-	737,570	650,427	87,143	88%	
13	SMAs Followup	18,000	-	18,000	18,791	(791)	104%	
14	Awerness Creation	30,112,986	-	30,112,986	27,495,167	2,617,819	91%	
15	Income Generating Activity	10,080,350	-	10,080,350	10,212,190	(131,840)	101%	
16	Monitoring and Evaluation	7,446,120	-	7,446,120	9,348,855	(1,902,735)	126%	This variance is due to increased costs for the midterm evaluation beyond the original plan and was approved by higher officials.
17	Vehicle Insurance & Maintenance	3,813,000	-	3,813,000	3,229,687	583,313	85%	
18	Health center Support	14,138,211	-	14,138,211	14,096,044	42,167	100%	
19	New Case Identification	913,580	-	913,580	846,916	66,665	93%	
20	SMAs Emergency Food	4,384,000	-	4,384,000	4,373,100	10,900	100%	
21	Field Accommodation	692,000	-	692,000	530,386	161,614	77%	During the fiscal year, field trips were reduced due to multiple tasks at the head office.
22	Depreciation Expense	-	-	-	2,265,985	(2,265,985)		
	Total Operational Expense	**141,479,823**	-	**141,479,823**	**146,164,802**	**(4,684,979)**	**103%**	**86%**
	Administration							
1	Salary and Benefits	16,191,535	-	16,191,535	20,064,536	(3,873,001)	124%	The salary appears overstated as a result of local currency devaluation against the exchange rate.
2	Communication	172,433	-	172,433	171,600	833	100%	
3	Transportation	470,718	-	470,718	401,640	69,078	85%	
4	Medical and life insurance	300,000	-	300,000	301,849	(1,849)	101%	
5	Stationary and Supplies	1,491,748	-	1,491,748	1,348,571	143,177	90%	
6	Field trip Accomodiation	558,000	-	558,000	514,267	43,733	92%	
7	Professional Fee	1,344,000	-	1,344,000	1,358,654	(14,654)	101%	
8	Office Rent	1,170,000	-	1,170,000	1,029,800	140,200	88%	
9	Audit Fee	122,000	-	122,000	120,075	1,925	98%	
10	Utilities (Water,Electricity)	110,000	-	110,000	92,463	17,537	84%	
11	Cleaning and Sanitation	391,000	-	391,000	235,231	155,769	60%	This is dueto that stock carried to the current budget year
12	Bank Service Charge	419,562	-	419,562	291,728	127,834	70%	
13	Depriciation Expense		-	-	61,838			
	Total Administrative	**22,740,997**	**-**	**22,740,997**	**25,992,253**	**(3,251,257)**	**114%**	
	Grand Total Expense	**164,220,819**	**-**	**164,220,819**	**172,157,055**	**(7,936,235)**	**105%**	**14%**

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Country Director

Finance & Administration Head

HEALING HANDS OF JOY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2025

Currency:Ethiopian Birr

DESCRIPTION	Head Office	AMHARA	SNNPR	Sidama	OROMIA	Tigray	TOTAL
INCOME	**Birr**	**Birr**	**Birr**	**Birr**	**Birr**	**Birr**	**Birr**
Fund Income Healing	29,239,143	7,171,890	8,912,601	9,900,000.00	30,068,890	22,174,890	**107,467,414**
Fund Income Helmsley	-	13,500,000				8,950,000	**22,450,000**
Fund Income Ethiopaid Canada							**-**
Fund Income Ethiopaid Australia				8,508,749.00			**8,508,749**
Fund Income Ethiopaid UK	629,422	11,255,000					**11,884,422**
Women's Hope Internatinal			17,810,000				**17,810,000**
	29,868,565	**31,926,890**	**26,722,601**	**18,408,749**	**30,068,890**	**31,124,890**	**168,120,585**
EXPENDITURES							
OPERATIONAL							
Employees Salaries and Related Benefits	6,934,649	7,951,898	5,573,859	4,152,065.00	7,791,432	8,234,794	**40,638,698**
Communication	24,000	74,400	40,300	34,095.00	74,400	74,400	**321,595**
Transportation	24,000	435,050	161,000	146,000.00	304,000	312,000	**1,382,050**
Medical and Life Insurance	400,000	-	-	-	-	-	**400,000**
Training and Food	-	5,073,410	2,802,719	1,474,851.48	2,017,176	3,075,961	**14,444,117**
Medical	-	99,250	17,883	8,626.70	169,821	17,190	**312,770**
Cleaning and Sanitation	-	706,322	752,560	408,923.92	554,398	811,494	**3,233,698**
Training Center Rent	-	334,500	321,630	360,000.00	1,868,225	1,320,000	**4,204,355**
Mum Ambossadors Kit	-	720,000	1,277,599	604,174.83	546,965	1,028,400	**4,177,139**
Mum Ambossadors Clothing	-	130,460	471,430	228,750.00	691,601	714,652	**2,236,893**
Printing and Stationary	77,400	67,176	141,728	149,262.00	312,802	81,216	**829,584**
Utilities (Water and Electricity)	-	696,997	162,255	113,402.02	49,267	195,145	**1,217,066**
SMAs Followup	-	656,975	248,200	554,300.00	719,999	610,900	**2,790,374**
Awerness Creation	334,380	6,538,670	6,402,705	3,729,544.00	5,823,998	4,415,870	**27,245,167**
Income Generating Activity	-	2,375,500	1,802,900	817,200.00	2,275,790	2,940,800	**10,212,190**
Monitoring and Evaluation	4,562,561	488,600	1,352,450	-	469,569	-	**6,873,180**
Vehicle Insurance & Maintenance	-	281,957	295,201	572,955.50	957,120	1,122,454	**3,229,687**
Health center Support	-	1,866,564	2,812,333	2,600,789.63	3,169,337	3,647,020	**14,096,044**
New Case Identification	-	86,733	151,020	88,100.00	721,397	103,475	**1,150,725**
SMAs Emergency Food	-	2,068,600	-	-	420,000	1,884,500	**4,373,100**
Field Accommodation	530,386	-	-	-	-	-	**530,386**
Depreciation Expense	-	641,262	532,445	42,849.20	774,978	274,450	**2,265,985**
Total Operational Expense	**12,887,376**	**31,294,323**	**25,320,217**	**16,085,889**	**29,712,276**	**30,864,721**	**146,164,804**
Administration							
Employees Salaries and Related benefits	12,359,587	2,547,231	1,027,537	917,409.00	1,691,164	1,521,608	**20,064,536**
Communication	75,600	24,000	13,000	11,000.00	24,000	24,000	**171,600**
Transportation	136,200	48,000	26,000	22,000.00	40,000	48,000	**320,200**
Medical and life insurance	301,849	-	-	-	-	-	**301,849**
Printing and Stationary	603,836	34,305	53,400	189,699.15	150,000	109,300	**1,140,540**
Field Trip Accomodiation	579,091	-	-	-	-	-	**579,091**
Professional Fee	1,358,654	-	-	-	-	-	**1,358,654**
Office Rent	1,029,800	-	208,031	-	-	-	**1,237,831**
Audit Fee	120,075	-	-	-	-	-	**120,075**
Utilities (Internet ,Water & Electricity)	140,540	3,000	43,413	7,876.95	-	613	**195,443**
Cleaning and Sanitation	75,180	14,160	30,000	50,900.00	19,991	45,000	**235,231**
Bank Service Charge/Administration	6,890	2,559	142,177	5,256.75	44,765	3,718	**205,364**
Depreciation	61,838	-	-	-	-	-	**61,838**
Total Administration Expense	**16,849,141**	**2,673,255**	**1,543,558**	**1,204,142**	**1,969,919**	**1,752,238**	**25,992,253**
Grand Total Expense	**29,736,517**	**33,967,578**	**26,863,775**	**17,290,031**	**31,682,196**	**32,616,960**	**172,157,057**
EXCESS OF INCOME OVER EXPENDITURI	**132,048**	**(2,040,688)**	**(141,175)**	**1,118,718**	**(1,613,306)**	**(1,492,070)**	**(4,036,471)**
FUND BALANCE BROUGHT FORWARD	**4,669,785**	**2,147,136**	**(178,623)**	**183,556**	**5,284,112**	**921,204**	**13,027,170**
PRIOR YEAR ADJUSTMENT	**-**	**-**	**72,772**	**(23,156.44)**	**(12,706)**	**-**	**36,909**
PRIOR YEAR ADJUSTMENT	**-**	**-**	**-**	**-**	**-**	**-**	**(24,285)**
FUND BALANCE CARRIED FORWARD	**4,801,833**	**106,448**	**(247,026)**	**1,279,118**	**3,658,100**	**(570,866)**	**9,003,323**

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Healing Hands of Joy

HEALING HANDS OF JOY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Currency:Ethiopia Birr

1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Financial Statements are presented in Ethipian Birr which is the functional currency of HHoJ. In accordance with the requirements of IPSAS, these financial statements, which present fairly the assets, liabilities, revenue and expenses of HHoJ, and the cash flows over the financial year, consist of the following:

(a) Statement I: statement of financial position;

(b) Statement II: statement of financial performance;

(c) Statement III: statement of changes in net assets;

(d) Statement IV: statement of cash flows using the indirect method;

(e) Statement V: statement of comparison of budgets and actual amounts;

(f) A summary of significant accounting policies and other explanatory notes.

The financial statements have been prepared on a going concern basis and the accounting policies, as summarized in note 2, have been applied consistently throughout the period (i.e. in the preparation and presentation of these financial statements). This financial statements is prepared in compliance with IPSAS. The adoption of IPSAS has required changes to be made to the accounting policies previously followed by HHoJ, including the preparation of of all standard financial statements on an annual basis.

The regular budget of HHoJ is approved and assessed in Ethiopian Birr.

Non monetary items that are measured in terms of historical cost or fair value in a foreign currency are translated using the country rates of exchange prevailing at the date of the transaction or when the fair value was determined. Foreign currency transactions are translated into Ethiopian Birr using the exchange rate prevailing at the date of the transaction.

The cash flow statetment is prepared using the indirect method. The financial statements are prepared

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Cash and cash equivalents

Cash and cash equivalents are held at nominal value and comprise cash on hand and cash at bank, collateral deposits, commercial paper, money market funds and short-term bills and notes.

2.2 Account Receivables

Accounts receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Current receivables are for amounts due within twelve months of the reporting date, while non-current receivables are those that are due more than twelve months from the reporting date of the financial statements.

The Centre's receivables comprise contributions receivable and other accounts receivable recognized in the statement of financial position. Receivables are measured at amortized cost, taking into account a provision for impairment.

Receivables from exchange transactions are recognized when the Organization is owed assets or services (usually in the form of cash) arising from a transaction that directly gives approximately equal value to another entity in exchange (IPSAS 9). Receivables from non-exchange transactions are established when the Organization is owed assets or services (usually in the form of cash) that arise from a transaction that does not directly give approximately equal value in exchange; or the Organization has given value to another entity without directly receiving approximately equal value in exchange (IPSAS 23).

2.3 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale, exchange, or distribution (i.e. selling expenses). Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the HHOJ.

The cost of inventories includes costs incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. For inventories acquired through a non-exchange transaction (e.g., donated goods), cost shall be measured at its fair value at the date of acquisition.

2.4 Advances or prepayments

Advances are recognized as an asset until goods are delivered or services are rendered in accordance with binding agreements with suppliers or in accordance with the Staff Regulations and Rules of the HHOJ for staff advances. HHOJ recognizes an expense once it has received proof of delivery of goods or the rendering of services.

Prepayments relate to amounts paid to suppliers for goods or services not yet received. Prepayments are recorded at cost.

2.5 Property, plant and equipment

All property, plant and equipment is stated at historical cost, less accumulated depreciation. This includes costs that are directly attributable to the acquisition of the asset. Where an asset is acquired for nil or nominal consideration, the fair value at the date of acquisition is deemed to be its cost. The threshold for recognition of property, plant and equipment as an asset is =or> Birr 150,000 or more per unit, and for leasehold improvements it is $50,000.

Assets, which fall under the category of property, plant and equipment, but are not under the direct control of HHOJ, are expensed when acquired. HHOJ is deemed to control an asset if it can use or otherwise benefit from its use in the pursuit of its objectives and can exclude or regulate the access of third parties to the asset.

Depreciation is charged on property, plant, and equipment (except for land) to write-down the cost/fair value of the asset, to its residual value, over the estimated useful life using the straight line method with a full year's depreciation charged in the year of acquisition.

Currency:Ethiopia Birr

Depreciation is recognized for property, plant and equipment over their estimated useful life using the straight line method, except for land, which is not subject to depreciation. When parts of an item of property, plant and equipment have different useful lives and zero residual value, they are accounted for as separate items, i.e., major components of property, plant and equipment. Assets under construction are not depreciated, as they are not yet available for use.The estimated useful life for property, plant and equipment classes is as shown below.

Assets Class and Description	Depreciation Rate
Permanent Buildings 20 years useful life	5%
Computer and information technology equipment 5 years ueful life	20%
Motor Vehicles 7 years useful life	15%
Machinery and Equipment 7 years useful life	15%
Furniture and fixtures 7 years useful life	15%
Leasehold improvements 5 years ueful life	20%

Transitional provisions were applied in the initial recognition of Property, Plant, and Equipment (PP&E) which were purchased or donated before 1 January 2019. Except for land and buildings, assets acquired prior to 1 January 2019 were expensed at the date of purchase and were not recognized as assets.

2.6 Intangible assets

Intangible assets are carried at cost, less accumulated amortization. Acquired computer software licences are capitalized based on costs incurred to acquire and bring to use the specific software. Development costs that are directly associated with the development of software for use by HHOJ are capitalized as an intangible asset. HHOJ has recognized the cost of intangible assets acquired or developed as an expense, prior to the adoption of IPSAS at 1 January 2019. The threshold for recognition of internally developed software is $50,000 and $5,000 for externally developed software.

Amortization of intangible assets is recognized over the estimated useful life using the straight line method. The estimated useful lives for intangible asset classes are as shown below.

Intangible assets	Class Estimated usefullife (Years)
Software acquired externally	6
Internally developed software	6
Licenses and rights, copyrights and other intangible assets	6

2.7 Accounts Payable

Accounts Payables are financial liabilities in respect of goods or services that have been received by the HHoJ and are recognized at amortized cost, which for payables is equal to cost. Accounts payable include the following: Amounts due to donors, partners, and stakeholders representing the unspent Voluntary Contributions for expired agreements; Invoices received and approved for payment but not yet paid.

2.8 Accrued Liabilities

Accrued liabilities are financial liabilities in respect of goods or services that have been received or provided to the HHoJ during the reporting period and which have not yet been invoiced or invoices have been received but not approved for payment. They are recognized at amortized cost, which for accruals is equal to cost.

2.9 Employee Benefits

HHoJ recognizes expenses and liabilities in respect of the following employee benefits:

1) Employee benefits earned in the current financial period are current liabilities recognized at an undiscounted cost.
2) Post-employment benefits are recognized at present value of the liability.
3) Other separation-related employee benefits are recognized at present value of the liability.

HHoJ provides end of services benefits for its expatriate employees. The entitlement to these benefits is based upon the employees' length of service and completion of a minimum service period stated by the Federal Labour Law. The expected costs of these benefits are accrued over the period of employment and the settlment will be covered presenting the request for the amount of the debt settlment to get the approval of senior manegment. The end of service benefits are not part of a funded pension plan.Termination benefits settled within 12 months are reported at the amount expected to be paid.

2.10 Provisions

Provisions are recognized for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of past event and it is probable that HHOJ will be required to settle the obligation, and the value can be reliably measured. The amount of the provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

Other commitments, which do not meet the recognition criteria for liabilities, are disclosed in the Notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the Organization or the value cannot be reliably estimated.

Currency:Ethiopia Birr

2.11 Contingent liabilities and contingent assets

a) Contingent liabilities

Any possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events, not wholly within the control of HHoJ or where value cannot be reliably estimated, are disclosed as contingent liabilities. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of resources embodying economic benefits or service potential will be required, a provision is recognized in the financial statements of the year in which change of probability occurs.

b) Contingent assets

Any probable assets that arise from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of HHoJ are disclosed as contingent assets. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable. If it has become virtually certain that an asset is no longer contingent and that its value can be measured reliably, the asset and the related revenue are recognized in the year in which the change occurs.

2.12 Deferred Revenue

Deferred revenue derives from legally binding agreements between the HHoJ and its conributers, including international organizations and private and public institutions, where the contributers provide funding to HHoJ to support technical cooperation initiatives (voluntary contributions).

Deferred revenue is recognized when a contractual agreement is confirmed in writing by both parties-i.e., the HHoJ and the donors, partners, or stakeholders, and the funds are emarked and due in the future period. Deferred revenue also includcs any advanccs from exchange transactions. Deferred revenue is presented as non-current if the revenue is due one year or more after the reporting date.

2.13 Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the HHOJ during the year, which represents an increase in net assets (IPSAS 23). The HHOJ recognizes revenue following the established criteria by IPSAS 23, "Revenue from Non-Exchange Transactions."

Revenue is recognized when an agreement to provide unconditional funding is signed, even prior to the receipt of cash. HHoJ has also recognized for the first time, revenue for donated right to use property arrangements in accordance with IPSAS. The main sources of revenue for the HHOJ include but are not limited to: Assessed Contributions, Voluntary Contributions, and Other Revenue.Currently HHoJ receives funding allocations from Donors (Ethiopiaid UK, Ethiopiaid Australia & Helmsley) for the implementation of technical cooperation activities.

2.14 Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets/equity. Expenses are recognized only when goods and/or services have been received. Expenses are recorded and recognized in the financial statements of the periods to which they relate.

2.15 Statement of Cash Flow

The cash flow statement is prepared using the indirect method.

2.16 Net Assets/Euity

The Statement of Changcs in Net Assets/Equity provides information on the fund balances for all funds as at 31 December 2024, the movement during 2023,2022, 2021 and the opening balances as at 31 December 2020.

2.17 Budget comparison

The HHoJ budget is prepared on a cash accounting basis and the financial statements are prepared on a full accrual basis in accordance with IPSAS. Comparison of budget and actual amounts compares the final budget with actual amounts calculated on the same basis as the corresponding budgetary amounts. The comparison is only made in respect of the available regular budget.

As required under IPSAS 24, the annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and

2.18 Note on Implementation of IPSAS.

The financial statements for the 2025 financial period are financial statements that comply with the requirements of IPSAS. The HHOJ's financial statements prior to 1st January 2025 were prepared and were presented on IPSAS basis.

Property, plant and equipment are capitalized when their cost is greater or equal to Birr 150,000 for equipment and $50,000 for leasehold improvements. In accordance with IPSAS 17: Property, plant and equipment, which allows a transitional period of up to five years prior to full recognition of capitalized tangible assets, HHoJ has not recognized the cost of leasehold improvements expensed prior to the adoption of IPSAS at 1 January 2019.

IPSAS transitional provisions: As permitted for first time adoption of IPSAS, the following transitional provisions have been applied:
(a) IPSAS 1: Presentation of financial statements comparative information is provided only for the statement of financial position;
(b) IPSAS 31: Intangible assets is applied prospectively to intangible assets;

(c) IPSAS 17: Property, plant and equipment, which allows a transitional period of up to five years prior to full recognition of capitalized tangible assets. HHoJ has not recognized the cost of leasehold improvements expensed prior to the adoption of IPSAS at 1 January 2019 and ebsequently.

2.19 Transaction with regional centers

a) Documentation

HHoJ implements its projects at regional centers and transfers cash funds to these regional centers who provide monthly expenditure reports. Based on these reports HHoJ records expenditure incurred by the regional centers. The original expenditure documents are retained by the respective regional centers.

b) Subsidy and Designated Fund Contribution

The subsidy and Decsignated Fund Contributions (DFC) are transferred to regional centers through the bank. The income is recognized at the time of receipt from head office and expenditure are incurred at the time when the cash is transferrd to the regional centers.

2.20 Related party and other senior management disclosures

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties.

Related parties that have the ability to control, or exercise significant influence over HHoJ in making financial and operating decisions, as well as transactions with such parties, unless occurring within or consistent with a normal relationship and on arms length terms between such parties, are disclosed in the notes to the financial statements. In addition, HHoJ discloses specific transactions with key management personnel and their family members.

Staff members considred to be "senior management personnel" are the Country Director, Finance & Human Resource Admin Head, Grants & Regional Programs Coordnator, three Regional Program Coordintors. Through out the past years and during the current year, no loans were granted to Senior management personnel.

2.21 Events after reporting date

The reporting date for these financial statements is 31 December 2021. There have been no material events, favourable or unfavourable, that occurred between the date of the financial statements and the date when the financial statements were authorized for issue that would have had a material impact on these statements.

Currency:Ethiopia Birr

2.22 Transactions with related party entities

Except otherwise noted in these statements for revenue from non exchange transactions, including contributions in kind, all transactions made with third parties occur within a normal supplier or client/recipient relationship or at arm's length terms and conditions. the Centre's cash are managed by the head office as part of the main cash pool.

2.23 Foreign Exchange currency, functional currency and translation of foreign currencies

a) Functional currency and trtnslation of foreign currencies

The functional and reporting currency of the HHoJ is the Ethiopian Birr. Foreign Currency transactions are translated into Birr at the exchange rates prevailing at the date of the transactions. The Operational Rates of exchange to United States dollar are set once at the time of preparation of the budget by the Intemational office Board of HHoJ in USA at the time of approval of the annual budget.

b) Foreign exchange currency risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in foreign exchange rates. HHoJ receives grants in foreign currencies othcr than Ethiopian Birr and it is exposed to Foreign exchange currency risk arising from fluctualions in curency exchange rates. Exchange rate gains and losses on thc date of transfer (purchase and sale of currencies) for grant projects arc handled as per the terms and conditions of the grand. The translation of transfers expressed in other currenencies into Birr is performed at thc exchange rate prevailing at the date of transfer/transaction.

2.24 Changes in accounting policies and estimates – IPSAS 3

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Currency:Ethiopia Birr

3 Accounts receivable

Current voluntary contributions receivable are for confirmed contributions that are due within 12 months, while non current contributions receivable are those that are due after 12 months from the date of the financial statements.

4 Contingent assets and contingent liabilities

In accordance with IPSAS 19, contingent assets will be disclosed for casses where an event will give rise to a probable inflow of economic benefits or service potential. As at December 31, there are no material contingent assets to disclose. As at 31 December 2025, HHOJ had no pending legal cases. As a result, there are no material contingent liabilities to disclose or to recognize.

5 ACCOUNT RECEIVABLE

		2024
Trade Debtors	14,260	14,260.00
Prepayments	-	-
Wotking Advance	-	62,618.70
	14,260	**76,879**

6 CASH

		2024
Petty Cash	-	
Cash at bank	13,161,890	10,318,093
	13,161,890	**10,318,093**

7 ACCOUNT PAYABLE

		2024
Trade Debtors	706,325	
Staff Severance Payable	9,321,542	5,380,663
	10,027,867	**5,380,663**

Currency:Ethiopia Birr

8.Property, Plant and Equipment

	Furniture and Fixture	Computer and	Machinery	Vehicles	Total
	ETB	**ETB**	**ETB**	**ETB**	**ETB**
Cost					
At 1 January 2024	465,038	1,021,497	264,545	13,430,660	15,181,740
Additions		-			-
Disposals	-	-	-	-	-
At 31 December 2024	**465,038**	**1,021,497**	**264,545**	**13,430,660**	**15,181,740**
At 1 January 2025	465,038	1,021,497	264,545	13,430,660	15,181,740
Additions	-	170,000	-	-	170,000
Disposals(Adjustment)	-	-	-	-	-
At 31 December 2025	**465,038**	**1,191,497**	**264,545**	**13,430,660**	**15,351,740**
Accumulated Depreciation					
At 1 January 2024	81,739	241,037	55,643	4,403,920	4,782,339
Charge for the year	69,756	202,355	39,681	2,014,599	2,326,391
Adjustment	-	23,423	36,725		60,148
At 31 December 2024	**151,495**	**466,815**	**132,049**	**6,418,519**	**7,168,878**
At 1 January 2025	151,495	466,815	132,049	6,418,519	7,168,878
Charge for the year	69,756	203,786	39,682	2,014,599	2,327,822
Disposals/Adjustment	-			-	-
At 31 December 2025	**221,251**	**670,601**	**171,731**	**8,433,118**	**9,496,700**
Carrying value					
At 31 December 2024	**313,543**	**554,682**	**132,496**	**7,012,141**	**8,012,862**
At 31 December 2025	**243,787**	**520,896**	**92,814**	**4,997,542**	**5,855,040**

	2024
9 DONATION	
Fund Income Healing (HHoJ)	107,467,414	70,846,017
Fund Income Ethiopaid Australia	8,508,749	6,509,505
Fund Income Ethiopaid UK	11,884,422	6,869,200
Fund Income Womens Hope International	17,810,000	-
Fund Income Helmsley	22,450,000	15,000,000
Total Donation Income	**168,120,585**	**99,224,722**
Estimated tax Benefit on acquistion of Vehicle	-	-
Total Income	**168,120,585**	**99,224,722**

HEALING HANDS OF JOY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Currency:Ethiopia Birr

10 GENERAL OPERATING EXPENSES		**2024**
Employees Salaries and Related Benefits	40,638,698	22,369,465
Communication	321,595	7,863,820
Transportation	1,382,050	5,904,485
Medical and Life Insurance	400,000	891,000
Training and Food	14,444,117	9,042,212
Medical	312,770	1,664,746
Cleaning and Sanitation	3,233,698	179,305
Training Center Rent	4,204,355	2,305,759
Mum Ambossadors Kit	4,177,139	211,617
Mum Ambossadors Clothing	2,236,893	3,403,878
Printing and Stationary	829,584	1,458,954
Utilities (Water and Electricity)	1,217,066	678,578
SMAs Followup	2,790,374	2,038,001
Awerness Creation	27,245,167	3,444,617
Income Generating Activity	10,212,190	300,000
Monitoring and Evaluation	6,873,180	2,106,915
Vehicle Insurance & Maintenance	3,229,687	1,901,753
Health center Support	14,096,044	10,393,101
New Case Identification	1,150,725	981,216
SMAs Emergency Food	4,373,100	3,726,452
Field Accommodation	530,386	262,943
Depreciation Expense	2,265,985	2,262,207
Total Operational Expense	**146,164,804**	**83,391,023**

11 ADMINISTRATIVE AND GENERAL EXPENSES		**2024**
Employees Salaries and Related benefits	20,064,536	11,274,639
Communication	171,600	110,600
Transportation	320,200	314,766
Medical and life insurance	301,849	145,418
Printing and Stationary	1,140,540	1,123,726
Field Trip Accomodiation	579,091	269,340
Professional Fee	1,358,654	144,000
Office Rent	1,237,831	426,960
Audit Fee	120,075	55,169
Utilities (Internet ,Water & Electricity)	195,443	177,292
Cleaning and Sanitation	235,231	103,145
Bank Service Charge/Administration	205,364	54,524
Depreciation	61,838	64,184
Total Administrative Expense	**25,992,253**	**14,263,763**

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Currency:Ethiopia Birr

12 Related party disclosure

Related party transactions represent transactions with the donors, senior management of HHOJ and entities in which they are principal owners or over which they exercise significant influence.

Transactions with related parties included in the financial statements are as follows:

	31-Dec-25 ETB	31-Dec-24 ETB
Contribution from the donors	168,120,585.34	99,224,721.67
Estimated tax Benefit on acquistion of Vehicle	-	-
	168,120,585.34	**99,224,721.67**

Key Management Personnel

Key management personnel are the Country Director, Head Finance & Administration, Head Program,Monotoring & Evaluation , Regional Program Coordnators, as they have the authority and responsibility for planning, directing and controlling the activities of the Organization. Key management personnel are also qualified for post-employment benefits at the same level as other employees.

Key Management Personnel	31-Dec-25 ETB	31-Dec-24 ETB
Number of positions	7	7
Salaries and employee benefits	23,114,767.61	22,030,805.87

13 Provisions

As at 31 December 2025, the Organization had not recognized any provisions.

14 Net assets/Fund balance

HHOJ has opned to recognize the effect of IPSAS adjustments against Net assets/Fund balance.

15 Events after the reporting period

On the date of the signing of these accounts, no material events, favourable or unfavourable, had been incurred between the balance sheet date and the date when the financial statements were authorized for issue that would have had an impact on the financial statements.